MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

April 2003

DATA SYSTEMS & ANALYSIS

Data Base and Application Development

Internet-Based Physician Re-Licensure Application
MHCC has completed modifications to the Physician re-licensure application for the Maryland Board of Physician Quality Assurance (BPQA). This year MHCC has added the following features:

- **Ability to pay by credit card.** In 2002, physicians could either pay by electronic debit from a checking account or by mailing a check to BPQA. Based on feedback from physicians that renewed last year's, accepting credit cards was the most requested feature.
- **Physicians can change passwords associated with their logon IDs**. The modification adds an addition security feature to the application. This was the second most requested new feature last year.

BPQA intends to release this application about July 1st. Physicians have 90 days to complete the application.

Development of a Physician Medicare Fee Calculator
The Maryland General Assembly has passed laws in the past three sessions that peg certain physician payments paid by the state or private insurance companies to Medicare physician fee schedule rates. For example, Senate Bill 479 passed in the 2003 session requires Medicaid to reimburse trauma physicians up to 100 percent of the Medicare rate for the identical service. MHCC receives frequent requests from practices on the Medicare payment rate for particular services. In the future, that need is expected to increase. To reduce staff time and to enable practices to obtain information on payment levels on an 'as needed basis', MHCC staff has developed an Internet application that will allow practices to retrieve Medicare payment rates. The application is currently undergoing internal testing with an anticipated release data set as July 1st.

Ambulatory Surgery Survey
The Commission released the 2002 Ambulatory Surgical Center survey on March 28th to approximately 305 facilities. Information from the 2002 survey will be used for a variety of health planning functions and in the ASC information guide (both paper and electronic versions), which is scheduled for release next month. Facilities have 45 days to complete the survey.

Cost and Quality Analysis

The Commission will sign a memorandum of understanding with School of Pharmacy researchers at the University of Maryland to conduct a study on changes in co-payments for covered drugs among Maryland residents with private insurance for pharmaceuticals. Staff hopes to present the report from this effort to the Commission in June.

Explaining the Growth in Health Care Expenditures
The Commission will release a short analysis in the form of an MHCC Spotlight on factors that contributed to the 10.6 percent growth in private sector spending. This analysis is part of staff's continuing analysis of heath care spending that follows the development of the state health care spending accounts and release of the overview report in January 2003. For 2003, staff plans to release short analyses that highlight aspects of health care spending of importance to state policy makers.

EDI Programs and Payer Compliance

EDI Promotion and HIPAA Awareness
The staff is continuing to work on a draft of "Transactions Standards & Code Sets: A Practice Management Assessment Guide for Medical Offices. " This is an assessment tool designed to assist small facilities and practitioners determine if their practice will be capable of sending HIPAA compliant claims after the October 16, 2003 compliance date. The HIPAA/EDI Work Group is assisting the staff by commenting on the draft document. We anticipate presenting a draft of the document to the Commission at the June meeting.

The staff continues to provide support to health care organizations that are complying with HIPAA, particularly the privacy rule that became effective on April 14, 2003. During the past month, staff provided the following support:

- Staff fielded approximately 15 HIPAA telephone inquiries per day. Questions related to privacy, security, and the transaction standards and code sets.
- Conducted a regional EDI and HIPAA compliance program for the Academy of General Dentistry. The meeting focused on identifying operational efficiencies created by EDI and completing a privacy gap analysis.
- Presented on HIPAA's Administrative Simplification requirements to the department heads at Southern Maryland Hospital.
- Conducted a HIPAA privacy training session for the Maryland Podiatric Association of Maryland. Approximately 90 podiatrists attended the meeting.
- Presented on HIPAA's privacy regulation and compared it to the existing Confidentiality of Medical Records Act for members of the Baltimore County Medical Society. Roughly 75 physicians and office managers attended the meeting from Baltimore County.
- Reviewed for mental health physicians HIPAA's privacy requirements, specifically as they relate to psychotherapy notes, at the request of the Montgomery County Medical Society.
- Presented on the status of EDI statewide at an Assistant State's Attorney training meeting.
- Presented on EDI and HIPAA's transaction standards at the March Montgomery County Medical Group Managers Association meeting.
- Presented on HIPAA at a regional EPIC Pharmacy conference. This was the last in a series of five EPIC regional conferences on HIPAA.
- Conducted a HIPAA education session for acupuncturists at the Thia Sophia Institute. Approximately 100 acupuncturists attended the meeting.
- Presented on HIPAA at a regional physician education seminar organized by Upper Chesapeake Health Systems. Practitioners and office managers from Fallston and Bel Air were invited to attend the meeting.

- Represented the Commission at the Montgomery County Medical Society trade show. Mostly practice managers attended the trade show with some physicians in attendance.
- Presented on HIPAA at a Baltimore County Mental Health Workshop. The meeting was arranged by the National Association of Social Workers and was attended by about 70 mental health workers.
- Reviewed at the request of MedChi several HIPAA education tools. MedChi is considering endorsing a few products aimed at providing office managers and physicians with an overview of the privacy regulations.
- Presented on EDI/HIPAA to physicians at Doctors Community Hospital. About 100 physicians and office staff attended the presentation.
- Reviewed HIPAA-related forms for approximately 10 practitioner offices.

EHN-Certification
MHCC's Maryland certification effort continues to gain steam. During the past month the MHCC received applications from PassPort Health, an electronic health network that focuses mainly on hospital transactions, Protologics, a Maryland-based firm that markets to physician practices, and MetroData, another Maryland-based firm that hopes to enter the health care transaction business. These latter two companies are covered under the small business provision of the certification program.

Staff has begun work with newly certified networks including ProxyMed/MedUnite and HDX to define ways these organizations can assist the MHCC in promoting EDI awareness and HIPAA compliance.

Institutional Review Board
The MHCC Institutional Review Board will meet in May to review draft documents for a minimum data set that conforms to the requirements of the HIPAA privacy standard that became effective April 15, 2003. The Board's initial work will focus on developing a minimum data set standard for the DC Hospital data set.

PERFORMANCE & BENEFITS

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)
At the November 2002 meeting, the Commission approved the proposed regulations to implement one change to the CSHBP, previously voted on at the October 2002 meeting: coverage for residential crisis services. The proposed regulations were published in the *Maryland Register* on January 24th. The comment period ended on February 24th. No public comments were received. At the March 2003 meeting, the Commission approved the regulations. This change will be implemented effective July 1, 2003.

On January 31st, Commission staff mailed survey packets to all carriers participating in the small group market in Maryland to collect their annual financial data. The deadline for carriers to submit this data was April 4th. Staff is in the process of analyzing the survey results, including number of lives covered, number of employer groups purchasing the CSHBP, loss ratios, average premiums as they relate to the 12-percent affordability cap, etc. Staff will present these findings at the June Commission meeting.

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff is in the process of developing a bookmark describing information available on the small group website. This bookmark will be presented to the Commission in the summer.

Evaluation of Mandated Health Insurance Services
At the November meeting, Mercer presented its evaluation of mandated health insurance services as to their fiscal, medical and social impact, along with all proposed mandates that failed during the 2002 General Assembly session to the Commission for release for public comment. At the December meeting, the Commission approved the report for release to the legislature, after some modifications to the Executive Summary. The final report was sent to the General Assembly in January 2003, and is available on the Commission's website at: www.mhcc.state.md.us/cshbp/mandates/finalmercerreport02.pdf.

High-Risk Pool (MHIP)/Substantial Available and Affordable Coverage (SAAC)
In 2002, the General Assembly enacted and the Governor signed HB 1228 under which the SAAC program and the Short-Term Prescription Drug Subsidy Program will be replaced with the Maryland Health Insurance Plan Fund and Senior Prescription Drug Program. Both will be administered by the Maryland Health Insurance Plan (MHIP), an independent agency within the MIA. The Executive Director of the MHCC is a member of the Board. The MHIP Fund is financed through a proportionate assessment on hospital net patient revenue that would equal the CY 2002 SAAC funding. The new program is required to be operational on July 1, 2003, and hospitals began paying the assessment as of April 1, 2003 in order to fund the start-up. The MHIP Board is responsible for running the programs.

The MHIP Board has selected Maryland Physicians Care (MPC) as the MHIP contract administrator. As contract administrator, MPC will review applications from potential members, collect premiums, and pay health insurance claims for MHIP. MPC is owned by four Maryland community health systems: Maryland General Health Systems in Baltimore, Washington County Health System in Hagerstown, Western Maryland Health System in Cumberland, and St. Agnes HealthCare in Baltimore.

Carriers must report to the MIA the number of applications for medically underwritten individual policies that they have declined. The Senior Prescription Drug Program is funded through enrollee premiums and a subsidy by a nonprofit health service plan (CareFirst) not to exceed its premium tax exemption. The MHCC is no longer responsible for developing the benefit plan. The MIA required CareFirst (Maryland and D.C.) to have the last SAAC open enrollment in December 2002. CareFirst complied by advertising the open enrollment period in local newspapers throughout the month of December 2002.

Legislative and Special Projects

HRSA Grant - Uninsured Project
DHMH, in collaboration with MHCC and the Johns Hopkins School of Public Health, was recently awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the state's uninsured population and employer-

based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the one year grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to better understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed on Friday, February 14, 2003, with over 70 employers and 20 brokers participating. A report summarizing the findings from the focus groups will be made available in mid-April.

A second meeting with the Health Care Coverage Workgroup was held on March 3, 2003. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent of the provider, business, health care advocacy, and health care research communities in the state. A list of 20 public and private sector option strategies was presented to the group for discussion. Members were asked to score each option according to their individual interest in the option. At the next meeting, the results of this survey will be discussed, along with the procedure for further narrowing the options. The next meeting with the Workgroup will be held on April 11 in Annapolis.

The grant team requested a one-year, no cost extension of the project timeline, with an interim report due to the Secretary of the Department of Health and Human Services in June 2003 and the final report submitted in December 2003. The final report must outline an action plan to continue improving access to insurance coverage in Maryland.

Patient Safety

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute, where it was codified, and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff has briefed two Legislative

Committees — the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee— on the study.

A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed out of both Houses and is expected to be signed into law by the Governor shortly.

In addition, in October 2002, Commission staff, along with the University of Maryland Office of Research and Development, LogiQ (a non-profit research entity affiliated with the Maryland Hospital Association) and the Delmarva Foundation, submitted a proposal for a federal grant that would fund the creation of a Patient Safety Center.

Facility Quality and Performance

Nursing Home Report Card

Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

The Commission participated in the Centers for Medicare and Medicaid Services (CMS) pilot program with five other states from April though early November 2002. At the conclusion of the pilot, CMS conducted a national rollout of the CMS Nursing Home Quality Initiative on November 12, 2002. The Commission's website was subsequently updated in January 2003 to reflect the final CMS Nursing Home Quality measures. The website was also updated to include quality indicator data from January through June 2002. Seven of the ten quality measures reported on the CMS website are featured on the Maryland Guide in the same format as the current Quality Indicators are, utilizing the symbols that separate the top 20%, bottom 10% and all others. CMS is reporting two new measures and one revised measure that are risk-adjusted using a Facility Adjustment Profile (FAP). Two of these measures are currently featured on the Guide without the FAP (Prevalence of Stage 1-4 pressure ulcers for chronic care and Failure to improve/manage delirium for post acute care) as recommended by the Hospital Report Card Steering Committee.

During March 2003, all facility deficiency information was updated reflecting survey information from the Office of Health Care Quality through December 2002. Consumers can also obtain historical information on nursing home deficiencies since January 2001.

Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a similar performance report on hospitals. The required progress report has been forwarded to the General Assembly. The Commission has contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide will be released during a press conference scheduled for May 16, 2003 at 1:00 p.m. and will include quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia. For the past year, all Maryland hospitals have participated in this data collection and analysis project in preparation for this public release. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures. Additional quality measures and patient satisfaction information will be added to the Guide in the upcoming months.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for 33 high volume hospital procedures. Data for those facilities with less than 20 discharges per DRG in the reporting period are not presented.

DRG data was updated in December 2002 to include admissions occurring between December 1, 2000 and November 30, 2001. Three DRGs that were featured previously are not included due to the small number of hospitals that had 20 or more discharges per DRG. Readmission rates for circulatory system diseases and disorders are featured. The formula used to calculate the readmission rates for all DRGs was altered to better define transfers to other hospitals and excludes "planned" readmissions.

The Delmarva Foundation was awarded the 'lead state' to head a three-state hospital public reporting pilot project initiated by CMS. Delmarva will assist CMS with the following -

- Test the collection and reporting of the JCAHO/CMS performance measure sets;
- Test the AHRQ sponsored standardized patient experience (satisfaction) survey;
- Test additional performance measures as determined by the pilot states;
- Determine the least burdensome ways for hospitals to meet upcoming public reporting requirements;
- Determine how to integrate CMS mandated reporting with existing state level public reporting activities; and
- Determine how to best involve stakeholders in the development and execution of hospital public reporting activities.

The Hospital Report Card Steering Committee serves as the steering committee for the pilot and has been expanded to include additional rural, minority, payer, and business/employer representatives. The Committee will be the primary vehicle for obtaining input and consensus prior to initiating the state specific activities. The steering committee will also be tasked with providing feedback to CMS on the pilot and identifying barriers to successful implementation. Hospitals from the three pilot states will take part in a pilot satisfaction survey in March or April 2003. Information from this survey will be confidential. The Agency for Health Care Research and Quality (AHRQ) selected hospitals in each state in February 2003. The survey will be administered through the mail with follow-up contact made by telephone. In order to obtain a representative sample of hospitals in the pilot satisfaction study, the Commission staff is requiring that each acute care hospital participate in the pilot. This will also satisfy the legislative requirement that the Commission collect satisfaction data.

The Delmarva Foundation hosted a kick-off meeting on February 10, 2003. All Maryland hospitals attended this meeting. The Commission sent a follow-up letter to all hospitals on February 24, 2003 notifying them of the revised timeline, clarifying that neither the Commission,

nor CMS, were requiring hospitals to publicly report the congestive heart failure and pneumonia clinical measure results on the CMS public website, and clarifying privacy/confidentiality concerns related to the Health Insurance Portability and Accountability Act (HIPPA).

In addition to the Pilot Project, a national coalition of healthcare organizations, including the American Hospital Association (AHA), the American Association of Medical Colleges (AAMC), the Federation of American Hospitals (FAH), the National Quality Forum (NQF) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), announced a voluntary initiative that will encourage every hospital in the country to collect and publicly report quality information.

The "starter set" of measures will draw from three of JCAHO's Core Measure Sets: Acute Myocardial Infarction (AMI), Congestive Heart Failure (CHF) and Community-Acquired Pneumonia (CAP). Initially, Maryland hospitals will be able to report measures from just two of the areas (the CHF and CAP measures that are already being collected), but will be strongly encouraged to report from all three as soon as possible. This information, in addition to being on the MHCC website as currently in process, will also be on CMS's website (www.medicare.gov) sometime this summer.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASF). The Commission is currently developing a web-based report that will be available by May 2003. The website will contain structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee will be convened to guide the development of the report and will consist of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Quality and Performance

Distribution of 2002 HMO Publications

Cumulative distribution: Publications released 9/23/02	**9/23/02- 3/31/03**	
	Paper	**Electronic Web**
The 2002 Consumer Guide to Maryland HMOs & POS Plans **(25,000 printed)**	21,163	**Interactive version** 1,003 Visitor sessions **.pdf version:** data pending
2002 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland **(700 printed)**	608	**Visitor Sessions** = data pending

2003 Policy Report (2002 Report Series) –
Released January 2003; distribution continues until January 2004

Policy Report on Maryland Commercial HMOs & POS Plans **(1,200 printed)**	731	**Visitor Sessions** = data pending

Passive distribution of HMO performance reports occurred during March allowing division staff to concentrate on audit oversight and to address associated issues. The pattern of consumers and public libraries making the most frequent or largest requests for publications remained steadfast. Physicians, too, continued to receive copies through professional organizations. Equal quantities of *Consumer Guides* and *Policy Reports* were provided to the Montgomery County Medical Society, a component of MedChi, for distribution during a general meeting.

A comparison of year-to-date distribution of the 2002 series of publications to the same time period for 2001 publications shows a sixteen percent decrease in paper copies of the *Consumer Guide* and a nineteen percent decrease in electronic copies (interactive version.) The decrease in hard-copy reports is partially attributable to a change in distribution strategy. As explained in a prior update, division staff implemented a system to better track inventory needs for public libraries, thus avoiding saturation. The result has been a noticeable twenty-eight percent decrease in volume distribution to this outlet. Exploration of the underlying causes for the downward shift will begin with employer and consumer feedback obtained through focus groups sessions.

2003 Performance Reporting: CAHPS Survey and HEDIS Audit
Division staff attended scheduled site visits for Coventry Health Plan of Delaware and Preferred Health Network. To prepare for the site visits, staff reviewed detailed documents prepared by each plan, which described their operational and organizational structure. Staff identified areas of concern through the review activities and observation of the interviews with plan representatives. Concerns remained at the conclusion of the site visits about the quality of data for behavioral health measures. To determine the impact of the data issues, it was decided further investigation of data collection practices for these measures was warranted, especially since both plans delegated these services to the same managed behavioral health organization (MBHO) in 2002. A site visit to the MBHO was arranged.

Zeke Barbour attended the site visit to the MBHO. The lead auditor reviewing Coventry's information and HEDIS reporting systems provided all interested parties with a nine-page summary of her findings describing how existing processes at the MBHO will affect the reportability of mental health/chemical dependency measures. While the certain outcome is not known, all measures in this category of care are at risk for a "Not Report" designation at this time. Adherence to corrective actions suggested in the report will increase the likelihood of reportable rates not only for Coventry but other Maryland plans using this network.

Overall, audit functions are on schedule. On-site reviews remain for only two plans. Staff will attend those April meetings.

As a check on the survey process, HMO division staff was "seeded" for each of the four pieces of mail being sent to a sample of 1100 members from each plan. All four waves of mailing have been completed. Staff worked with the survey vendor, Synovate, to improve upon their publishing procedures after identifying a typographical error in one of the mail pieces, which was

introduced at the vendor level. Telephone follow-up to members of the sample who did not return their questionnaires will begin on April 10th. Synovate will make up to ten phone call attempts to reach persons in the sample.

Report Development Contract/Optional Unit Work
Staff framed project objectives and set group structure for focus group testing that will take place in May. Throughout the month division staff worked with NCQA, the report development contractor, to define the details not included as part of the general approach they originally proposed. Four sessions consisting of consumers and employers will be used to elicit feedback on report content, as well as learn about preferences and experiences participants have had in receiving HMO performance information.

Other Activities
HMO division staff attended the monthly health officers round table and a symposium that presented findings from a UMBC study on the effects of managed care on minority physicians.

HEALTH RESOURCES

Certificate of Need

During March 2003, staff issued on the Commission's behalf a total of 14 determinations of coverage by Certificate of Need review. The Commission received notice of the intended transfer of ownership of two nursing facilities: one of these, Montgomery Village Care and Rehabilitation Center in Gaithersburg, reverted to the owner through a default on the lease. In addition, an affiliate of FutureCare Health and Management, 2327 North Charles LLC, acquired Noble House, an 82-bed nursing facility in Baltimore City.

Staff issued a determination of non-coverage to Fort Washington Medical Center in Prince George's County for a proposed capital expenditure totaling $11.47 million, nearly three-quarters of which will refinance existing debt, with the remainder devoted to several infrastructure improvements and equipment purchases. Also during March, staff considered revised cost estimates for a construction project by Heartland Health Care Center in Hyattsville, determining that the project costs directly related to patient care remained below the capital review threshold, and that, therefore, Certificate of Need review is not required.

During the past month, staff also issued five determinations of coverage related to proposed changes in licensed bed capacity in existing health care facilities. Three nursing homes — in Carroll and Garrett Counties, and Baltimore City — received authorization to temporarily delicense small numbers of nursing home beds at their respective facilities. Also during March 2003, staff notified a Salisbury nursing facility, River Crest Health Services, that twenty-four of its 150 nursing home beds have been deemed abandoned because the facility failed to take timely action to maintain the temporarily-delicensed beds in good standing. Finally, counsel to HealthSouth Physicians Surgery Center – Wilkens Avenue received an extension to the authorized period of temporary delicensure of its two-OR center, in order to complete negotiations for an acquisition; staff has subsequently received notice that HealthSouth will relinquish the two ORs.

During March, staff also issued determinations of non-coverage for single non-sterile procedure rooms to be established in a podiatrist's office in Baltimore County, and a neurosurgery practice in Baltimore City.

Also during this reporting period, staff issued a determination that Gentiva Health Services, a long-standing home health agency serving several Central Maryland subdivisions, may establish minor administrative offices in two counties in its service area without CON review. Staff also authorized ten waiver beds at Ivy Hall Geriatric and Rehabilitation Center in Baltimore County. In addition, staff acknowledged the Commission's receipt of the 45-day notice by Union Memorial Hospital that it would close its obstetrics unit by March 25, 2003. Staff members represented the Commission at the February 5, 2003 public informational hearing on the imminent closure of Union Memorial's OB service, required by the provisions of HB 994 (1999) related to the closure of hospitals or hospital services in jurisdictions with three or more hospitals.

On May 2, 2003, notice of a change to the dollar amount that establishes the level of capital expenditure proposed "by or on behalf of a health care facility" regulated by the Commission that will require Certificate of Need review, pursuant to Health-General §19-120(k), *Annotated Code of Maryland,* will be published in the *Maryland Register*. COMAR 10.24.01.01B(33) requires the Commission to adjust the statutory capital expenditure review threshold of $1.25 million on an annual basis, according to the Consumer Price Index-Urban (CPI-U) for the Baltimore Metropolitan Area published by the U.S. Department of Labor, Bureau of Labor Statistics, and rounded off to the nearest $50,000. Under the updated CPI-U index for January 2003, the statutory capital expenditure review threshold is increased from $1.5 to $1.55 million.

Acute and Ambulatory Care Services

Staff established the Acute Care Hospital Planning Workgroup to discuss issues raised concerning the proposed revisions to the State Health Plan (SHP) chapter on acute inpatient services, COMAR 10.24.10. A preliminary draft of the proposed SHP changes, including proposed revisions to the acute care bed need projection methodology, were both released for informal public comment in 2002. The second workgroup meeting was held on March 7, 2003. The agenda included a discussion of proposed changes to the draft Plan's goals and general standards in response to written public comments. The agenda also included a discussion of options to address apparent conflicts between the two approaches to increasing acute care bed capacity in the state's licensure process and the certificate of need law. Staff's suggested option was to recommend changes to both the Plan's bed need methodology policies, and to the state's licensure law so that the two are as consistent as possible. The workgroup's discussion was generally favorable towards this approach. The next meeting of the workgroup was held April 11, 2003. The agenda included discussion of proposed changes to the project review standards in the draft State Health Plan chapter.

Staff attended a conference in Washington, D.C. on April 15, 2003 sponsored by the Center for Studying Health System Change (HSC) entitled *Specialty Hospitals: Focused Factories or Cream Skimmers?* The participants examined the recent growth in the construction of specialty facilities focused on specific surgical procedures. HSC plans to release a new report examining the reasons behind this building boom and its implications for costs, quality, and access to care.

Long Term Care and Mental Health Services

On March 19, 2003 a meeting was held with staff of Myers and Stauffer. The major topic of the meeting was MDS (minimum data set) analysis of alternatives to nursing home utilization. Myers and Stauffer staff presented results of analyses from several states, including: South Dakota, Kansas, North Carolina, Maine, and Indiana. There was also discussion of the need to assess what services can be delivered in the community. Further work will continue in this area as part of the ongoing contract with Myers and Stauffer.

Staff met with Medicaid program staff to apprise them of our work with Myers and Stauffer and to assess the status of Medicaid waivers and community-based services on March 27, 2003. Staff plans to continue sharing information with the Medicaid program staff to keep them informed as the Commission makes revisions to nursing home bed need projections.

In addition, staff provided technical assistance to an individual concerning the provision of hospice in nursing homes and to an individual regarding future projections of need for assisted living.

To begin directly collecting data on the use of hospice services, the Commission plans to publish a Notice in the *Maryland Register* on May 2, 2003. While the Hospice Network of Maryland conducts an annual hospice survey of its members, this Notice will ensure that the Commission receives timely and complete data necessary to update the State Health Plan for Facilities and Services and conduct certificate of need reviews. Commission staff will implement this survey in consultation with the Hospice Network of Maryland beginning with the 2003 reporting period.

Specialized Health Care Services

The Interventional Cardiology Subcommittee of the Advisory Committee on Outcome Assessment in Cardiovascular Care met at 4:00 p.m. on April 14, 2003. At that meeting, the subcommittee reviewed draft documents on Acute ST-Segment Elevation Myocardial Infarction and Elective Angioplasty. The Steering Committee met at 6:00 p.m. on April 14th to review progress by the four subcommittees.